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Development charges
study - public meeting
May 6, 1993

The Regional Municipality of Hamilton-Wentworth

DEVELOPMENT CHARGES STUDY

PUBLIC MEETING

May 6, 1993

URBAN MUNICIPAL
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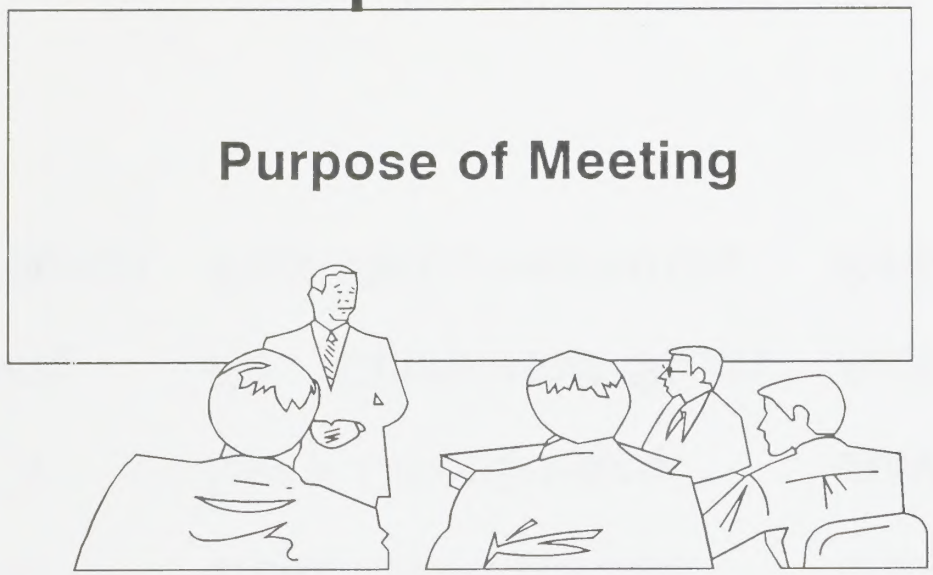
GOVERNMENT DOCUMENTS

TIMETABLE

Reference	Description	Timeframe
Component 1	Philosophical Issues	Completed
Public Meeting	Re: Component I	May 6, 1993
Component 2	Cost Identification	June 1993
Component 3	Levy Calculations	July 1993
Public Meeting	Re: Completed Study	August 1993
Report to Council	Final Recommendtns	September 1993

Component One
Philosophical Issues



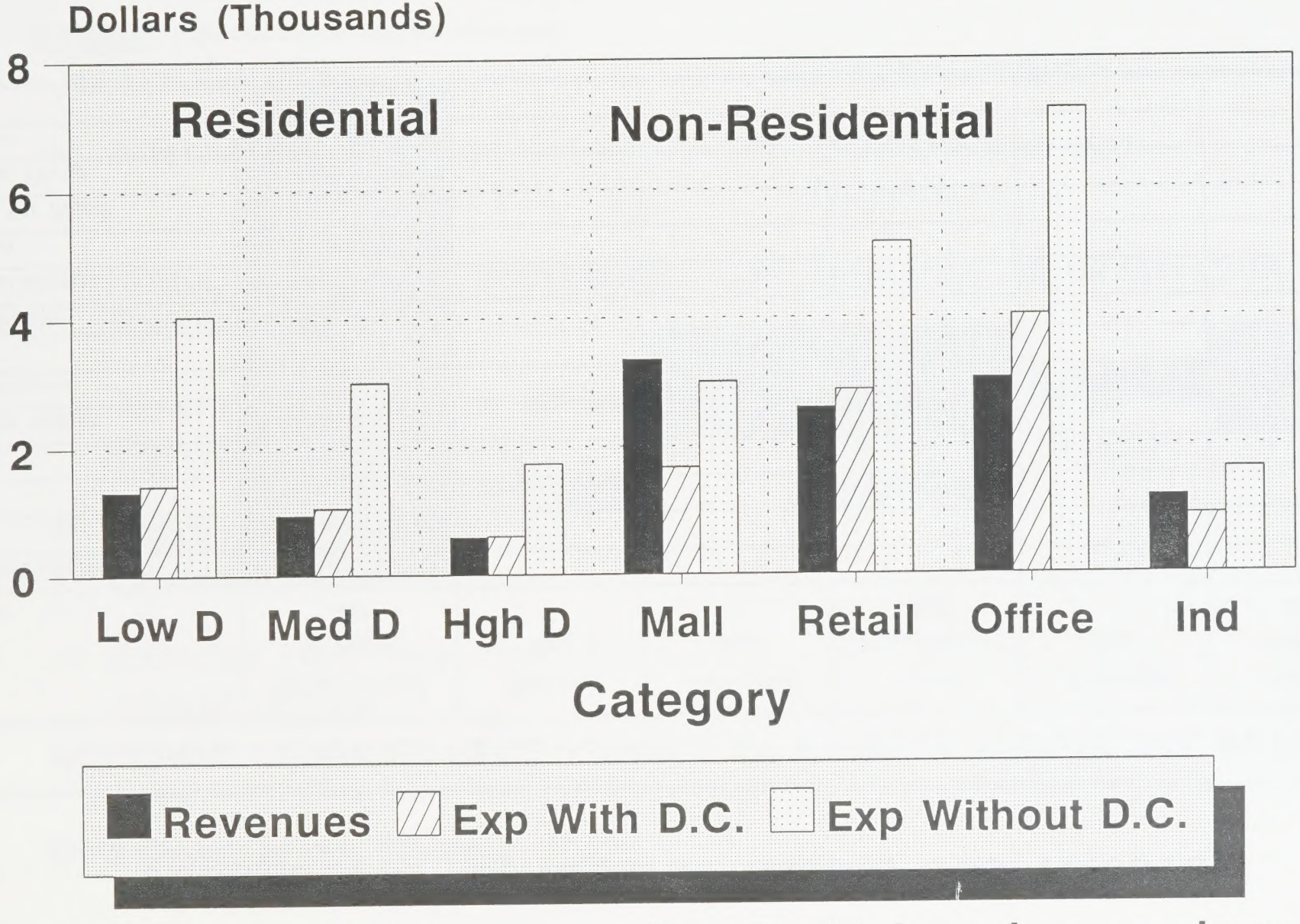
* Review Consultant's Reports

* Review Extension of Rate Reductions

* Solicit Public Input

Cost/Benefit Analysis

Impact of Development Charges



1993 Development Charges Study

Non-Resid. based on employees

Alternatives For Growth-Related Cost Recovery

REGIONAL SERVICES RECOVERABLE BY VARIOUS PROVINCIAL ACTS

Service	Development Charges Act	Planning Act	Municipal Act	Local Improvement Act	Drainage Act	Public Utilities Act
Administration	■					
Police	■					
Roads	■	■		■		
Transit	■					
Sanitary Sewer	■		■	■		■
Storm Sewer	■		■	■	■	■
Water	■		■	■		■
Solid Waste	■					
Hospital Grants	■					
Daycare	■					
Homes for Aged	■					
Regional Parks	■					
Libraries	■					
Airport	■					

■ Denotes service costs are recoverable

1 Limited to road dedications and minor improvements under subdivision, consent or site plan

2 Service connections

Development Charges

Advantages

- ★ Alternative to Taxes
- ★ Reduces Regional Borrowing Requirements
- ★ Allows for Recovery of all Service Components
- ★ Improves Cash Flow for Developers
- ★ Ensures reserves used for Infrastructure

Disadvantages

- ★ May Discourage Development
- ★ Requires Administration
- ★ Average Charge may not Equate to Benefit

Comparison of Other Municipalities

Regional Municipality	Highest	Lowest
York	21,071	10,448
Ottawa-Carleton	17,110	7,084
Peel	13,419	12,770
Halton	12,197	10,569
Waterloo	9,898	8,593
Hamilton-Wentworth	8,104	5,731
Niagara	7,567	3,508

Development Charge Rates as at April 1992

C.N. Watson Recommendations
Report One - Philosophical Issues

Issue

Recovery of Growth-Related Service Costs

C.N. Watson Recommendations

100% Cost Recovery of Growth-Related Residential Service through Development Charges.

Consider less than 100% Cost Recovery of Growth-Related Non-Residential Services through Development Charges.

C.N. WATSON RECOMMENDATIONS

Development Charge Policies

ISSUE	RECOMMENDATION
Service Components	• Review all Regional services in the current study for inclusion in Development Charges.
Deferred Payment Agreements	• Develop financial policy guidelines. • Require security, other than land.
Non-Residential Development	• Calculate non-residential charges on a square footage basis instead of an acreage basis.
In-Fill Development	• Charge in-fill development the same as other forms of development.
Area-Specific vs. Uniform Charges	• This issue should be further pursued during the 1993 Development Charges Study.
Pre-June 1990 Agreements	• Discontinue the "grandfathering" policy for pre-June 1990 agreements. • Recognize any payments or services provided in pre-June 1990 agreements as a credit against the development charge payable.
Farm Exemptions	• Continue to charge the residential development charges for residential dwellings on farm land. • Provide an exemption for a set amount of non-residential square footage.
Institutional Exemptions	• No exemptions for institutional uses other than the mandatory exemption provided by the Development Charges Act.
Exemptions for Previously Existing Buildings	• Reduce the credit period from 10 years to 3 years.
Conversions	• When converting the use of existing structures, continue present policy of providing a credit for the existing space.

C.N. WATSON RECOMMENDATIONS

Existing Financial Policies

ISSUE	RECOMMENDATION
Payment for services abutting developer's lands.	• Incorporate costs of abutting services into the general development charge.
"Best Efforts" clauses for service recoveries.	• Incorporate costs of services which would be subject to a "best efforts" clause into the general development charge.
Local Improvement Act	• Continue use of the Local Improvement Act to recover service costs. • Recover the growth-related component of the costs not recovered through local improvement rates from development charges.
Flankage Charges	• Incorporate the growth-related portion of flankage charges into development charges.
Reverse Frontage Lots	• Do not charge adjacent owner for services where reverse frontage lots have restricted access to services installed under the Local Improvement Act. • Incorporate these costs into development charges.

Development Charge Rate Reductions

Recommendation:

Extend the rate reductions from the June 30, 1993 expiry date until the completion of the study:

30% Residential Reduction

40% Non-Residential Reduction

1993 Development Charges Study

Where We Go From Here

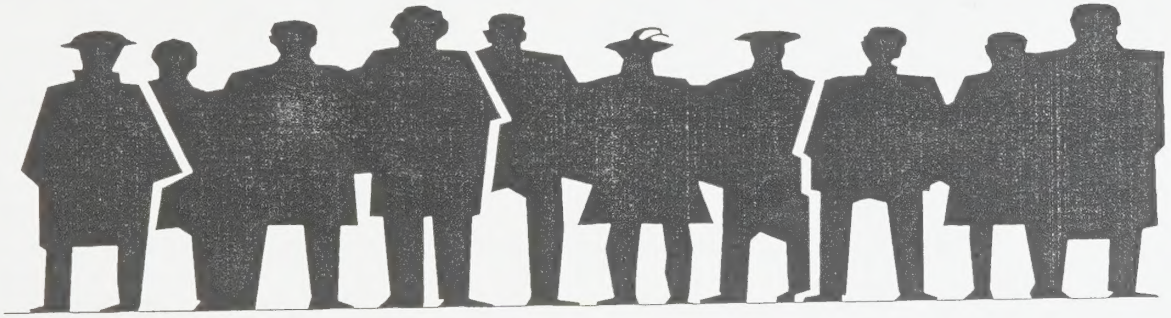
Final Recommendations for the Study will:

1. Consider recommendations in the C.N. Watson Reports

2. Consider Public Input

3. Incorporate the Remaining 2 Components of the Study

4. Be subject to review at a Public Meeting



1993 Development Charges Study

Following this Public Meeting

- Report to Council - D.C. Rate Reductions
- Complete the Development Charges Study
- Hold a second public meeting
- Report to Council - Final Recommendations
- Implement new By-law

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